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JANUARY 1975

Released Pursuant to \$1000.3 and \$1090.86, USDA-AMS
Federal Order No. 90, 112 Lee Parkway Drive, Chattanooga, Tennessee 37411
J. E. Bobo, Market Administrator

MARKET SUMMARY - JANUARY 1975

The Chattanooga Order MINIMUM uniform producer price is \$8.56 per cwt. at pool plants for milk testing 3.5% butterfat. The producer butterfat differential is 7.7 cents for each one-tenth of one percent above or below 3.5% test. This is a price decrease of 77 cents below January 1974 and an increase of 13 cents above December 1974.

In January 1975, 83.0% of producer milk received by pool plants was priced in Class I at \$8.91 per cwt., 7.9% was priced in Class II at \$6.90 per cwt. and 9.1% was priced in Class III at \$6.80 per cwt. for milk testing 3.5% butterfat. The January butterfat differential for all milk testing above or below 3.5% is 7.7 cents.

Total producer milk received at pool plants during January 1975 was 28,546,821 pounds which is a decrease of 2,046,479 pounds or a daily average decrease of 6.7% compared with January 1974. The January daily average deliveries from 525 producers was 1,754 pounds. This compares to 625 farms delivering a daily average of 1,576 pounds per day during January 1974.

USDA TAKES ACTION ON FARM MILK PRICES IN ALL FEDERAL MILK ORDERS

The U. S. Department of Agriculture (USDA) took action to bring Class I (fluid-use) prices to be paid to dairy farmers in all 61 federal milk order markets in line with the Secretary of Agriculture's decision of January 3 which increased milk price supports.

USDA's Agricultural Marketing Service (AMS) said that, under the action, minimum prices paid to farmers for Class I (fluid-use) milk delivered in Feb. and March will be based on the Minnesota-Wisconsin price series (M-W price) of a month earlier rather than two months earlier as has been the case. This action is not expected to change the price of fluid milk to the consumer in most of the markets under federal regulation.

The earlier price support action is expected to result in increased prices for manufacturing milk beginning in Jan. Without today's action, however, manufacturing milk values effective in Jan. would not reflect in federal order Class I prices until March. As a result of action now taken to align both manufacturing milk prices and Class I milk prices, comparable pricing will be achieved for both February and March.

The action is based on a public hearing in Washington, D.C., Jan. 20. Officials said the hearing evidence clearly showed the need for bringing Class I prices to dairy farmers during the next two months in line with the price support action as quickly as possible. Requests for the suspension action were made at the hearing by representatives of a large proportion of milk producers associated with all of the federal orders.

AMS officials explained that the M-W price reflects average prices paid by milk processing plants in Minnesota and Wisconsin for manufacturing grade milk. A specified differential in each order is added to the M-W price in computing minimum Class I prices paid to farmers.

COMPARISON OF MILK RECEIPTS AND UTILIZATION
(DAILY AVERAGE POUNDS)

	% Jan. '75	Jan	Dec.	Jan.
	Over Jan. '74	1975	1974	1974
Number of Plants - Pool		4	4	4
- Non-Pool		15	14	13
<u>RECEIPTS</u>				
Pool Plants - Producer Milk	- 6.7	920,865	922,287	986,881
- Other Source	-21.9	53,642	44,594	68,695
- Other Federal Orders	-51.4	7,703	4,363	15,867
Non-Pool Plants - Cl. I Sales in Area	-33.7	65,446	59,650	98,728
TOTAL MILK RECEIPTS	-10.5	1,047,656	1,030,894	1,170,171
<u>UTILIZATION</u>				
<u>Class I Uses</u>				
Homo Milk	+ 6.9	406,703	387,270	380,377
2% Milk	+30.4	248,181	234,829	190,364
Skim	+ 1.1	21,171	18,682	20,940
Buttermilk	+14.3	60,247	56,846	52,694
Flavored Milk and Drink	+25.9	32,395	28,279	25,735
Sub-Total of Pkg. Items (Pool Plants)	+14.7	768,697	725,906	670,110
Other		130	226	
Sales to Non-Pool Plants		3,271	4,702	61,964
In Area Sales by Non-Pool Plants	-33.7	65,446	59,650	98,728
TOTAL CLASS I USAGE		837,544	790,484	
<u>Class II Uses - Pool Plants only</u>				
Sweet Creams - Routes	+12.8	2,060	2,722	1,827
Sour Cream and Dip - Routes	+14.4	1,627	2,563	1,422
Yogurt - Routes	+28.7	377	221	293
Ice Cream	+35.8	64,964	46,116	47,831
Other		47,487	46,552	
Sales to Non-Pool Plants		6,503	3,709	
TOTAL CLASS II USAGE		123,018	101,883	
<u>Class III Uses - Pool Plants only</u>				
Animal Feed and Dumped		4,667	6,449	6,046
Class III Shrinkage		13,389	14,867	
Inventory Variation		4,588	8,942	
Other, Overage, etc.		40	23	
Bulk Sales to Non-Pool Plants		64,410	108,246	
TOTAL CLASS III USAGE		87,094	138,527	
<u>IN AREA PACKAGED ROUTE DISPOSITION</u>				
<u>BY POOL PLANTS AND NON-POOL PLANTS</u>				
Homo Milk	- 6.6	317,126	296,526	339,547
2% Milk	+20.8	170,917	160,118	141,523
Skim and 1% Milk	- 3.5	15,732	14,182	16,295
Buttermilk	+ 2.5	46,722	43,839	45,563
Flavored Milk and Drink	+10.1	26,480	23,005	24,055
Total Class I Disposition In-Area	+ 1.8	576,977	537,670	566,983
<u>CLASS I PKG. ROUTE DISPOSITION</u>				
In-Area by Pool Plants	+ 9.1	511,531	478,020	468,675
In-Area by Non-Pool Plants	-33.4	65,446	59,650	98,308

1/ The Order was amended effective August 1, 1974 to provide for a three use classification. Therefore, comparison with previous months are not made for all items of use.

COMPUTATION OF PRODUCER UNIFORM PRICE

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JANUARY 1975	Class Percent	Butterfat Pounds	Product Pounds	Cwt.Price @ 3.5%	Total Value
Class I Producer Milk	82.970	614,229	23,685,392	\$8.91	\$2,110,368.43
Class II Producer Milk	7.885	205,941	2,250,928	6.90	155,314.03
Class III Producer Milk	9.145	291,388	2,610,501	6.80	177,514.07
TOTAL PRODUCER MILK	100.000	1,111,558	28,546,821		\$2,443,196.53
Add Value of Overages					-0-
Add Inventory Reclassification Charges					-0-
Add Value of Class I Other Source Milk and Producer Location Adjustment					-0-
Add ½ Producer-Settlement Fund Balance					12,553.00
Total Utilization Value @ 3.5% Test			28,546,821	\$8.602532	\$2,455,749.53
Less Producer-Settlement Fund Reserve			28,546,821	.042532	12,141.53
PRODUCER UNIFORM PRICE @ 3.5% TEST			28,546,821	\$8.56	\$2,443,608.00

JANUARY 1975 MINIMUM PRODUCER PRICES CWT. f.o.b. CHATTANOOGA POOL PLANTS
BUTTERFAT DIFFERENTIAL 7.7¢ PER POINT (EXCLUDES PREMIUMS)

TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE	TEST-%	PRICE
3.0	\$8.175	3.6	\$8.637	4.2	\$9.099	4.8	\$9.561	5.4	\$10.023
3.05	8.2135	3.65	8.6755	4.25	9.1375	4.85	9.5995	5.45	10.0615
3.1	8.252	3.7	8.714	4.3	9.176	4.9	9.638	5.5	10.10
3.15	8.2905	3.75	8.7525	4.35	9.2145	4.95	9.6765	5.55	10.1385
3.2	8.329	3.8	8.791	4.4	9.253	5.0	9.715	5.6	10.177
3.25	8.3675	3.85	8.8295	4.45	9.2915	5.05	9.7535	5.65	10.2155
3.3	8.406	3.9	8.868	4.5	9.33	5.1	9.792	5.7	10.254
3.35	8.4445	3.95	8.9065	4.55	9.3685	5.15	9.8305	5.75	10.2925
3.4	8.483	4.0	8.945	4.6	9.407	5.2	9.869	5.8	10.331
3.45	8.5215	4.05	8.9835	4.65	9.4455	5.25	9.9075	5.85	10.3695
3.5	8.56	4.1	9.022	4.7	9.484	5.3	9.946	5.9	10.408
3.55	8.5985	4.15	9.0605	4.75	9.5225	5.35	9.9845	5.95	10.4465

FEDERAL ORDER - PRODUCER MILK BASES - 1975

Federal Order Milk bases for producers will be announced by February 28, 1975. Milk Bases were established during September 1974 through January 1975. These bases are to be used for calculating payment to producers for milk deliveries during March through July 1975. If you do not receive your Milk Base Notice soon after March 1, 1975, please notify the Market Administrator, P. O. Box 8085, Chattanooga, TN 37411.

POOL PLANT ROUTE DISPOSITION SELECTED ITEMS - JANUARY 1975

	Milk Pounds	Av. Test	% of Total
Homo Milk	12,607,787	3.44%	52.63%
2% Milk	7,693,595	1.97	32.12
Skim	656,292	.46	2.74
Buttermilk	1,867,671	.37	7.80
Flavored Drink	1,004,249	1.59	4.19
Half & Half	52,543	11.66	.22
Whip Cream	11,309	35.76	.04
Sour Cream	32,742	19.57	.14
Sour Cr. Dip	17,682	19.78	.07
Yogurt	11,680	1.50	.05
Total	23,955,550		100.00%

CHATTANOOGA ORDER MINIMUM MILK PRICES (3.5 PERCENT TEST)

Date	PRODUCER UNIFORM PRICES 1/				HANDLER CLASS PRICES 1/ 4/		
	Per Hundredweight				Class I	Class II	Class III
	Uniform	Base	Excess	Bf. Dif.	Cwt.	Cwt.	Cwt.
Jan. '74	\$9.33	-	-	8.2¢	\$9.79	\$8.10	
Feb.	9.40	-	-	7.8	10.09	8.14	
Mar.	9.51 2/	\$9.85	\$8.15	7.8	10.25	8.15	
Apr.	9.33 2/	9.81	7.73	8.0	10.29	7.73	
May	9.17 2/	9.89	6.93	7.6	10.30	6.93	
June	8.50 2/	9.17	6.31	7.2	9.88	6.31	
July	8.20 2/	8.66	6.29	7.2	9.08	6.29	
Aug.	8.21	-	-	7.7	8.46	6.49	\$6.39
Sept.	8.20	-	-	7.8	8.44	6.79	6.69
Oct.	8.35	-	-	7.9	8.54	6.92	6.82
Nov.	8.66	-	-	7.9	8.84	6.86	6.76
Dec.	8.43	-	-	7.5	8.97	6.51	6.41
Jan. '75	8.56	-	-	7.7	8.91	6.90	6.80
Feb.	-	-	-	-	8.95	-	-

Date	PRICE QUOTATIONS			PRODUCER MILK USE 4/				
	Chi. 92°	Chi. Area	Minn/Wisc	(Daily Average)				Percentage Use
	Butter ¢ Lb.	Powder ¢ Lb.	Mfg. Milk Cwt.-3.5%	Class I Pounds	Class II Pounds	Class III Pounds	Cl. I	Cl. II Cl. III
Jan. '74	68.49	55.13	\$8.10	737,793	249,088		74.8	25.2
Feb.	64.07	57.75	8.14	691,834	361,676		65.7	34.3
Mar.	68.06	61.52	8.15	723,583	404,160		64.2	35.8
Apr.	68.23	68.73	7.73	744,227	434,702		63.1	36.9
May	60.51	66.22	6.93	804,711	378,718		68.0	32.0
June	60.57	58.45	6.31	697,373	443,971		61.1	38.9
July	60.83	56.52	6.29	715,569	324,116		68.8	31.2
Aug.	67.08	57.05	6.39	719,339	89,630	19,000	86.9	10.8 2.3
Sept.	67.71	56.93	6.69	729,330	71,550	51,283	85.6	8.4 6.0
Oct.	68.84	56.91	6.82	745,752	68,293	34,930	87.8	8.1 4.1
Nov.	68.88	56.94	6.76	782,226	56,786	32,846	89.7	6.5 3.8
Dec.	65.32	56.74	6.41	725,078	60,395	136,814	78.6	6.6 14.8
Jan. '75	66.82	56.73	6.80	764,045	72,610	84,210	83.0	7.9 9.1

SUMMARY OF RECEIPTS AND USE (DAILY AVERAGE POUNDS)

Date	HANDLERS GROSS MILK 3/			PRODUCER DATA					
	No. Hdlers	Total Receipts	Class I Use 4/	Pool Plants	No. Prod.	Total Delivery	Base Delivery	Average Test-%	Av. Per Farm
Jan. '74	17	1,170,171	837,331	4	626	986,881	-	3.94	1,576
Feb.	17	1,233,886	790,532	4	738	1,053,510	-	3.87	1,428
Mar.	17	1,275,930	783,913	4	701	1,127,743	909,675	3.74	1,609
Apr.	18	1,406,083	806,245	4	750	1,178,929	913,117	3.73	1,572
May	18	1,393,911	868,280	4	749	1,183,429	899,410	3.67	1,580
June	18	1,302,939	753,227	4	722	1,141,344	877,774	3.61	1,581
July	18	1,178,805	765,797	4	731	1,039,685	841,605	3.59	1,422
Aug.	17	983,351	818,969	3	579	827,969	-	3.62	1,430
Sept.	17	990,981	805,362	3	561	852,163	-	3.64	1,519
Oct.	18	1,009,566	848,006	4	517	848,975	-	3.77	1,642
Nov.	18	1,001,646	862,322	4	549	871,858	-	3.81	1,588
Dec.	18	1,030,894	790,484	4	566	922,287	-	3.94	1,629
Jan. '75	19	1,047,656	837,544	4	525	920,865	-	3.89	1,754

1/ Excludes Premiums

2/ Weighted Average Price

3/ Other Source is Gross minus Producer; Class II is Receipts minus Class I

4/ Order amended Aug. 1, 1974 to provide for three classes of utilization; therefore, not comparable in all categories to previous months.